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COMPENDIUM OF DECISIONS, RECOMMENDATIONS AND RESOLUTIONS ON EXPANSION OF DOMESTIC AND INTRA-AFRICAN TRADE ADOPTED BY THE CONFERENCE OF AFRICAN MINISTERS OF TRADE AND THE ECA CONFERENCE OF MINISTERS SINCE 1980

INTRODUCTION

1. At its ninth session held in Addis Ababa from 19 to 20 March 1987, the Conference of African Ministers of Trade expressed serious concern on the non-implementation of its previous decisions in the field of domestic and intra-African trade and appealed to all African Trade Ministers to take up this matter with their respective government. The Conference requested the ECA Secretariat to publish all resolutions, recommendations and decisions which were taken by the Conference of African Ministers of Trade to promote domestic and intra-African trade

2. It is in compliance with this request that this compendium has been prepared. All the resolutions and decisions relating to trade adopted by the ECA Conference of Ministers have been included and submitted to this intergovernmental group of expert meeting on domestic and intra-African trade.

3. The compendium is also being directly circulated to all member countries as directed by the Conference of African

PART I: RESOLUTIONS, RECOMMENDATIONS AND DECISIONS ADOPTED BY THE CONFERENCE OF AFRICAN MINISTERS OF TRADE

SIXTH SESSION, ADDIS ABABA, ETHIOPIA, 17 TO 20 MARCH 1980

4. The Conference noted with satisfaction the completion of the first phase of the UNDP - financed project for the development of trade, monetary and financial co-operation and the substantial results it had achieved since its inception in 1978. Having also stressed the fact that trade and monetary co-operation was an effective instrument for the achievement of self-reliance and economic integration at the subregional and regional levels, the Conference requested the United Nations Development Programme to provide the necessary financial resources for the Second Phase at the level indicated in the project document prepared by the secretariat.

5. On the issue relating to the organization of the third All-Africa Trade Fair, the Conference took the following decisions:

(a) That the third All-Africa Trade Fair should be held in Kahartoum, the Sudan, from 3 to 17 November 1980 and that, subject to availability of space, non-African countries may be allowed to participate;

(b) That in principle the All-Africa Trade Fair should be restricted to African countries only

(c) That the matter of organizing OAU Fairs should be entirely the responsibility of the Ministers of Trade rather than of the OAU Council of Ministers

(d) That there should be a follow-up Committee to do a post-morten on the fairs with regard to their intended effect and a report thereon be made to the Ministers of Trade

SEVENTH SESSION ADDIS ABABA, 1-3 FEBRUARY 1982

(a) Recommendations

6. On trade promotion issue, the Conference made the following recommendations:

(a) Urged African countries to establish national chambers of commerce where they did not already exist.

(b) Urged all African countries to join the Association of African Trade Promotion Organizations (AATPO) and the African Regional for Standardization Organization (ARSO).

(c) Recommended that member States should ensure that, in the distribution of credit, a substantial share be earmarked for financing exports.

(d) Recommended that member States should encourage exports through appropriate measures, including reduction of export levies and other taxes.

(e) Urged member States in co-operation with ARSO to strive to harmonize their standards with a view to facilitating intra-African trade.

(f) Requested the ECA, OAU, AATPO and other competent African organizations, including national trade promotion centres, to intensify their trade information activities with respect to products of African origin with a view in particular to making potential buyers and sellers aware of products available at the intra-African level.

(g) Recommended that member States should pay due attention to the problem of rationalization of their trade channels with a view in particular to making it possible for African countries to trade directly between themselves, and minimizing resort to triangular trade.

(b) Resolution

7. The Conference adopted a resolution on the establishment and development of a regional African Trade Information System which (i) noted the urgent need to strengthen national, subregional and regional services of existing trade promotion centres with a view to promoting trade information exchanges between African countries.

(ii) invited African countries and their economic groupings to fully support joint ECA/ITC - UNCTAD/GATT activities in the field of information.

(iii) invited donor countries and UNDP to provide financial support to ITC-ECA joint trade information projects; and

(iv) requested the ECA Executive Secretary and the ITC Executive Director to give priority to activities for the establishment of trade data banks and trade information systems.

EIGHTH SESSION, BRAZZAVILLE, CONGO, 28 TO 31 OCTOBER 1985

8. The Conference agreed on the following measures for promoting domestic and intra-African trade:

(a) immediate action should be taken by all African countries to increase intra-African trade to 10 per cent of the world total by the end of 1995;

(b) increased efforts should be deployed to progressively reduce and eventually remove all trade and customs barriers to intra-African commerce, especially those affecting the cash crops specifically mentioned in the Lagos Plan of Action, by the end of 1995;

(c) efforts should be renewed to support and strengthen the subregional institutions for trade promotion called for in the Lagos Plan of Action;

(d) significant improvements should be made in intra-African trade information and marketing systems and system monitoring and evaluating trade performance by African countries;

(e) all African countries should commit themselves and encourage the free movement of African traders and economic operators for the purpose of promoting intra-African trade;

(f) prompt action should be undertaken to regularize increased border trade: where necessary, by creating "border free-trade zones" within which traditional operators may continue to function;

(g) priority, where circumstances permit, should be given to African tenders for the provision of goods and services offered by or originating from other African countries;

(h) use of African airlines and shipping lines should be increased for freight services and the transportation of goods for intra-African trade;

(i) appropriate pricing policies and other incentives designed to encourage domestic and intra-African trade, should be encouraged especially in food and food products;

(j) steps should be taken to link trade development with progress in other sectors such as industry, agriculture, education and training, transport and communication as outlined in paragraph 76 of the Africa's Priority Programme for Economic Recovery 1986-1990 adopted by the 21st Summit of OAU;

(k) prompt action should be taken to develop adequate storage and distribution facilities for intra-African trade;

(l) Ministers of transport and communications should give priority to the creation or rehabilitation of inter-country roads and rail links likely to encourage the growth of intra-African trade with particular emphasis on feeder and access roads permitting for easier transportation of rural produce to the market.

(m) Ministries of industry, science and technology and energy are requested to adopt appropriate policies and priority towards growth in intra-African trade in order to promote the structural adjustments needed in the region for development.

NINTH SESSION, ADDIS ABABA, ETHIOPIA, 19 TO 20 MARCH 1987

9. The Conference reiterated the decisions taken at its eighth session, since most of them were not yet implemented.

10. In addition, the Conference adopted the following decisions in the field of domestic and intra-African trade.

1. Domestic trade

11. The Conference made the following recommendations:

(a) a full study should be undertaken in each country to determine the food requirements of the population in all areas, in particular the different food grain requirements to form the basis for domestic trade. If necessary such a study should indicate ways of introducing new staple grain in areas of chronic shortages;

(b) institute, with the collaboration of cooperative societies and commercial banks, more effective systems for providing credit to small holders and medium scale farmers and to small entrepreneurs involved in the production and marketing of simple goods including handicrafts. There must also be guaranteed prices for agricultural produce;

(c) establish proper trade distribution networks throughout the country as well as a system of buffer stock both in order to maintain steady price levels and to ensure adequate and even supplies during periods of high and low production. Such measures should include the establishment of physical plants and the development of transport facilities over long distances for goods and persons between the urban and rural areas through public investment or assistance to the private sector.

2. Intra-African trade

12. The Conference adopted the following decisions:

(a) African countries and subregional and regional institutions should implement the decisions on domestic and intra-African trade in Africa's Priority Programme for Economic Recovery adopted by African Heads of State and Government;

(b) African Governments should launch campaigns to encourage the consumption of localproducts;

(c) African Governments should harmonize their industrial promotion policies in order to increase the prospects for trade with each other.

(d) African Governments should study the means to enable them to put an end to extraverted banking systems;

(e) Requested the secretariats of the Economic Commission for Africa, the Organization of African Unity and subregional institutions including clearing-houses and the African Centre for Monetary Studies to carry out specific studies on such topics as barter trade, the problems of small markets and the harmonization of industrial production policies in order to formulate specific proposals to make the established subregional economic communities more operational;

(f) That developed donor agencies be urged to accord appreciable priority to regional and subregional groupings in providing increased financial/development resources under regional programming facilities to support activities such as infrastructural and industrial development, trade in goods of local/regional origin which will enhance intra-African trade. For the effective implementation of such a policy, donor agencies should adopt a flexible and positive attitude in formulating criteria that will facilitate the rapid development of those factors necessary for accelerating intra-African trade;

(g) Urged member countries of regional and subregional groupings to give sustained maximum financial support to such groupings and to accord them the requisite political will that will ensure the rapid realisation of the goals and objectives of these groupings,

(h) That ECA secretariat should publish all resolutions and decisions taken by the Conference of African Ministers of Trade to promote domestic and intra-African trade

(i) African Governments should reinforce their co-operation with the International Trade Centre UNCTAD/GATT which in 1972 was designated as the focal point in the UN system for technical co-operation in trade promotion. ITC's technical co-operation programmes at the national, subregional, regional and interregional levels cover inter-alia institutional infrastructure for trade promotion, product and market development including supply and demand surveys and related trade expansion follow-up activities; national Trade Information Services, subregional trade information networks and telexed market news services; specialized advisory services in export packaging, quality control and standardization, costing and pricing, national commercial representation abroad, export finance services, trade fairs and commercial publicity, chambers of commerce, commodity promotion as per UNCTAD resolution 158 (VI); human resources development; import operations and techniques special programme for LDC's, women enterpreneurs; etc.

(j) African countries should develop and implement vocational training programmes in the area of trade with a view to informing and improving skills of the African traders in the informal sector

(k) Donor countries and organizations should be urged to provide resources for the implementation of the United Nations Transport and Communications Decade fro African programmes in support of intra-African trade

(1) member countries were urged to establish commercial banks and other trade supporting industries on each others' territories and to allocate increased financial resources to the trade sector.

PART II: RESOLUTIONS ADOPTED BY THE ECA CONFERENCE OF MINISTERS

13. At its 222nd meeting which was held on 30 April 1982, the Conference of Ministers adopted the resolution No. 441(XVII) on Development of Inter-African Trade 1/ which

1. Commended the eleven signatories of the Libreville Declaration for their firm determination to establish the Economic Community of Central African States and wished them full success in the conduct of the negotiations for the creation of the said Community;

2. Expressed its appreciation to the Executive Secretary for the efforts already made and requested him to intensify his assistance and advisory activities towards the promotion of intra-African trade at both the intra-sub-regional levels;

3. Further commended the eleven States of Eastern and Southern Africa which have already signed the Treaty on the establishment of the Preferential Trade Area and urged them to ratify it as soon as possible and also urged those countries of Eastern and Southern Africa, which have not yet signed the Treaty, to do so without delay;

4. Requested the Governing Council of the United Nations Development Programme to earmark from the existing indicative planning figures resources for the newly established Preferential Trade Area for Eastern and Southern African States to promote inter-country trade within the Preferential Trade Area;

5. Took note with appreciation of the efforts being pursued by the State members of the West African and North African Multinational Programming and Operational Centres towards the promotion of intra-subregional trade in their respective subregions;

6. Urged all African Chambers of Commerce and subregional associations of Chambers of Commerce to attend the forthcoming Salisbury meeting and take appropriate steps for the establishment of the Federation of African Chambers of Commerce

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1/ ECA Annual Report (E/1982/21 p. 74
(E/ECA/CM.8/32/Rev.1

7. Noted with satisfaction the results achieved by the project on the development of intra-African trade and monetary and financial co-operation during the period 1979-1981 and expressed its gratitude to the United Nations Development Programme for having provided the Commission with financial resources for the implementation of this project;

8. Further took note with satisfaction of the positive recommendation made by the evaluation team composed of representatives of the United Nations Conference on Trade and Development, the Commission and the United Nations Development Programme for the continuation of this project, and urgently appealed to the United Nations Development Programme to continue to provide financial assistance at the current or at an increased level for the duration of the Programme's programming cycle 1982-1986.

14. At its 233rd meeting held on 26 May 1984 the Conference of Ministers,

Convinced that national chambers of commerce and federations, associations or unions of chambers of commerce can play a more vital role in expanding and promoting intra-African trade, adopted the resolution No. 515(XIX) on the Establishment of the African Federation of Chambers of Commerce 1/ which

1. Called upon African Governments to give full support to their national Associations of Chambers of Commerce so as to ensure their effective participation in the Federation of African Chambers of Commerce;

2. Further called upon African national Associations of Chambers of Commerce to decide without further delay to designate one national representative to participate at the inaugural meeting of the Federation of African Chambers of Commerce as required by the constitution adopted at the meeting of African Chambers of Commerce held in Cairo in November 1983.

15. By its resolution No. 567(XIX) adopted on 26 May 1984 at its 233rd meeting the Conference of Ministers invited the Member States of ECA to promote intra-African Trade and to facilitate such trade particularly the removal of non-physical barriers. It appealed to all African countries and African institutions especially the African Development Bank (ADB) and the Arab Bank for Economic Development in Africa (BADEA) to provide financial support for activities in this field. After having expressed its gratitude to UNDP for having provided the necessary financial resources for the implementation of the project between 1979 and 1982, the Conference requested the Governing Council of UNDP to review the results of the project and reconsider the possibility of continuing financial support so that ECA may continue to assist African member States in the development of intra-African trade and monetary and financial co-operation.

16. On 29 April 1985, at its 241st meeting, the Conference of Ministers adopted the resolution No. 541(XX) on the Role of trade and finance in alleviating Africa's social and economic crisis which, inter alia, 2/

1/ ECA Annual Report (E/1984/21 p. 125
(E/ECA/CM.10/38

2/ ECA Annual Report (E/1985/36 p. 94
(E/ECA/CM.11/81

Recalling the provisions of the Lagos Plan of Action and the Final Act of Lagos concerning the vital role played by trade and finance in the socio-economic transformation of the African economies,

Noting that the Lagos Plan of Action called for rationalization of distribution in domestic trade and structures in domestic trade and structures in order to ensure internally generated, self-sustaining growth,

Mindful of the fact that despite the establishment of subregional economic groupings, no measurable achievements have been made towards the liberalization and expansion of intra-African trade and that the growth of intra-African trade remains too small to ensure collective self-reliance,

A. At National level

Recommended that all African countries take measures for developing effective distribution channels in domestic trade and finance as a means of ensuring internally generated balanced growth.

B. Subregional and regional levels

1. Urged the African countries, through the subregional and regional institutions, to adopt new measures to launch a "Buy African goods" campaign so as to promote intra-African trade in agricultural products especially food, basic manufactured consumer goods and raw materials.

2. Stressed the urgent need for all African Governments to provide full support to the newly established Federation of African Chambers of Commerce as an important private-sector institution for the development and expansion of intra-African trade.

3. Called on the Executive Secretary of ECA to submit to the next session of the Commission a preliminary report on the possibility of organizing multilateral African trade negotiations with a view to promoting medium- and long-term intra-African trade exchanges.

4. Called upon all countries which have not yet done so to join the existing subregional payments and clearing arrangements, such as the West African Clearing House, the Central African Clearing House and the Preferential Trade Area Clearing House, and to ensure that maximum use is made of these institutions in the settlement of intra-African trade transactions and other payments.

5. Further called upon those countries which have not yet formed their own subregional payments and clearing arrangements to establish such institutions;

17. By its resolution no. 397(XXI) on trade and development finance 1/ adopted at its 24/7th meeting held on 19 April 1986, the Conference of Ministers

Recalling General Assembly resolution 39/29 of 3 December 1984 on the critical economic situation in Africa, and its annex which, inter alia, stressed the heavy dependence of African countries on the export of a few primary commodities, rendering them particularly vulnerable to sharp price fluctuations that result in drastic shortfalls in export earnings so that urgent action is needed to stabilize commodity prices, improve market access for African primary and non-primary products and diversify production,

Recalling further Africa's Priority Programme for Economic Recovery, 1986-1990, adopted by the twenty-first ordinary session of the Assembly of Heads of State and Government of the Organization of African Unity, and the important role which trade and finance can play in the implementation of the Priority Programme,

Reiterating its resolution 541(XX) of 29 April 1985 on the role of trade and finance in alleviating Africa's social and economic crisis, in which it expressed grave concern about the growing role played by international trade and finance in dealing with Africa's current economic and social crisis in the wake of an unfavourable international economic environment,

Noting that the lack of proper linkages between the development of agriculture and industry and of trade has been one of the major factors responsible for the slow rate of industrialization and, in particular, for increased under-utilized capacity in many African countries,

Noting further that the development and expansion of domestic and intra-African trade continues to be accorded low priority in the national development plans of many African countries,

Aware of the important role which the Association of African Trade Promotion Organizations plays and can continue to play in promoting the trade of African countries, especially domestic and intra-African trade,

Recognizing the need to minimize the impact of international economic instability, increase foreign exchange reserves and expand export earnings from both primary and non-primary exports,

Taking note of the resolutions on trade and finance adopted at the 1986 annual meetings of the Councils of Ministers of the Yaounde-, Lusaka-and Nancy-based MULPOCs, the Council of Ministers and Commissioner of the State of the Gisenyi-based MULPOC, and the Council of Plenipotentiaries of the North African MULPOC,

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1/ ECA Annual Report (E/1986/33 p. 80
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1. Appealed to member States to intensify their efforts to explore new opportunities for domestic trade expansion and to adopt new policies so as to promote the production, marketing and distribution of locally produced foods, especially agricultural products including food, within each member State as a top priority policy option for attaining national self-reliance;

2. Further appealed to member States to accord greater priority to measures for increasing intra-African trade, especially in cereals and other commodities identified in the Lagos Plan of Action, namely rice, coffee, tea, maize, sorghum, wheat, pulses, sugar, meat, fish, oil-seeds and vegetable oils, to 10 per cent of Africa's total trade by the year 1995, and to reduce and eventually remove tariff and non-tariff barriers to intra-African trade and effectively promote intra-African trade in industrial products;

3. Called upon all member States to support financially and thereby strengthen the Association of African Trade Promotion Organizations as well as other sub-regional and regional organizations charged with the promotion of trade and economic co-operation as a means for achieving collective self-reliance at the subregional and regional levels;

4. Reiterated the need to bring the Federation of African Chambers of Commerce, which was established in September 1984, into an operational phase at the earliest possible date, and urged all African Governments to ensure that membership subscriptions are paid to the interim secretariat of the Federation before 30 June 1986 in order to enable it to begin its operations without further delay;

5. Further urged those national chambers of commerce which have not yet done so to join the Federation as soon as possible;

6. Invited member States to accelerate the process of economic integration within existing subregional groupings and to promote the establishment of economic integration mechanisms in the subregions where they do not yet exist, inter alia, by assisting the Multinational Programming and Operational Centres in carrying out the following activities:

(a) Study of unregulated frontier trade in Central Africa;

(b) Round table of economic operators and Government representatives in Central Africa;

(c) Strengthening of the operations of the Trade Promotion and Training Centre for Eastern and Southern African States;

(d) Convening of an intergovernmental expert meeting to study trade measures and policies, particularly those relating to the project for the establishment of a preferential trade area and payments and clearing system for North African States;

(e) Establishment of a commodity exchange for Eastern and Southern African States.

7. Appealed to all bilateral and multilateral donors to include in their financing package measures for promoting and expanding African trade as an essential element of development

8. Further appealed to the United Nations Development Programme to increase financial assistance to the Economic Commission for Africa during the fourth programming cycle so as to enable the Commission to assist member States effectively in the implementation of programmes and projects designed to promote intra-African and external trade as a means of increasing their foreign exchange earnings.